



Acquisition Program - Contract Administration for Non-profit Organizations and Local Governments

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Introduction

This document is intended to give you information you need to administer your CWMTF grant contract.

Your grant administrator is your key contact at CWMTF for completing your project and you are welcome to contact them any time you have questions or need more guidance.

If you are transferring the property to the State at the time of Closing, you should refer to the Acquisition Guidance for State Agencies and Property Transferred to the State.

FAQs

Contracts

1. What am I responsible for?

You are responsible for understanding and administering the contract. This includes:

- reviewing draft versions of the contract
- having the final contract signed
- submitting quarterly progress reports
- ensuring all pre-disbursement, pre-closing, and post-closing documents are prepared and submitted correctly, and
- submitting final documents and reports

2. When and how will I receive my contract?

After the Board of Trustees' funding decisions, CWMTF staff will prepare and forward to you a draft grant contract. You are responsible for reviewing the draft grant contract and working with your CWMTF contract administrator to finalize the contract.

Once the grant contract is finalized, you will receive instructions for signing and returning the contract to CWMTF. CWMTF will have it signed by the CWMTF board chairman and executive director.

After the contract is fully executed you will receive an email letting you know it is executed. Your contract will be available to you in CWMTF's online grants management system (GMS).

3. When can I start on the work?

It is best to wait until you have a copy of the fully executed contract. However, any approved expense incurred after the Award Date (date of the Trustees' funding decision) is eligible for reimbursement or credit toward matching funds, after contract execution, as long as the work is acceptable to CWMTF.

4. When can I purchase the property or conservation easement?

It is strongly recommended you wait until all closing documents have been reviewed by CWMTF and you have approval in writing from CWMTF before you close. Closing before approval is done at your risk of having to re-record documents or not be reimbursed if any issues with the property or closing documents cannot be resolved.

5. What if I want to make changes to the project?

Changes in the scope of work, conservation agreement, budget, etc. must be discussed with your CWMTF contract administrator prior to implementation. Some changes require CWMTF Board approval.

All requests for changes to any part of the executed contract must be submitted by entering a Change Request in the online Grants Management System (GMS).

6. What if the project is delayed and I need to extend the grant contract?

Use the Change Request form in GMS to propose a new end date and explain the reason for the extension. CWMTF staff will consider the reason for the request as well as evaluate how much progress has been made before approving or denying the extension. Be sure to attach an updated progress report to the extension request.

7. How do I submit Progress Reports?

Every three months from the grant contract effective date, quarterly reports must be submitted until the grant contract is complete.

To download a progress report form, click here:

<https://cwmtf.nc.gov/forms-acquisition-quarterly-progress-report>

To submit a progress report, click here:

<https://fs24.formsite.com/CWMTF/form39/index.html>

Payments

A request for funds is called a claim.

Payments will not be processed if progress reports are not up-to-date.

Match funding should be submitted alongside requests for reimbursement.

1. When can I submit a claim?

Transaction and Administrative costs - You may request funds for transaction and administrative costs prior to, after, or at the same time you request funds for the fee simple or conservation easement acquisition. All requests must be substantiated with invoices. Approval of transaction and administrative costs submitted prior to receipt of closing materials is subject to our Acquisition Program Manager's discretion.

Acquisition costs - You may request funds for acquisition of fee simple or conservation easement after the pre-closing documents have been approved and you have received authorization to close from CWMTF.

2. How do I submit a claim?

All claims must be requested through GMS. Do not email or mail fund requests to CWMTF.

All requests must be substantiated with invoices. If you are not able to access GMS, contact CWMTF.

For more assistance on how to submit a claim, attach invoices to a claim, or other questions, see the Help Document on the left bottom half of the main page of GMS.

3. Do I request stewardship endowment funds in my claim?

No. Stewardship endowment funds will not be paid to the grant recipient but will be transferred to the Stewardship Endowment by CWMTF. You should not request reimbursement for stewardship endowment funds as part of your claim. The funds for your organization's monitoring work will be provided on an annual basis through a separate contract with CWMTF. However, if you have match stewardship funds in your budget, you must request credit for those funds in the Matching Funds column of your claim and attach substantiation that those funds were deposited to your endowment account.

Acquisition/Closings

1. When can I purchase the property or conservation easement (referred to as “Closing”)?

After the pre-closing documents are reviewed and you have received approval to close from CWMTF. You will only have authorization to close from CWMTF after all required pre-closing documents have been reviewed and approved. Closing prior to approval may result in re-recording documents or ineligibility of acquisition funds from CWMTF if issues with the property or closing documents cannot be resolved to CWMTF's satisfaction.

A closing should not be scheduled until pre-closing documents have been reviewed and approved.

2. What if I purchased the Property or a Conservation Easement before approval from CWMTF?

All closing documents must be submitted and reviewed by CWMTF before release of acquisition funds. If you purchase property or a conservation easement without approval from CWMTF, you risk not being reimbursed or having to re-record documents.

Pre-Closing Documents

1. Why do we need to submit a warranty deed when we are not purchasing a property?

The warranty deed is the last link in the chain of title. It verifies ownership and lists any applicable exceptions and/or access easements.

2. How do we handle reserved rights in the conservation agreement that we have discovered are required by the landowner and were not mentioned in the application?

All conditions must be discussed with and approved by CWMTF prior to completion of the conservation agreement. Call your contract administrator as soon as you know this information so that discussions can begin. A change in reserved rights may require CWMTF board approval.

3. When should we submit Baseline Documentation Reports (BDR) to CWMTF?

You should complete your BDR as near to the closing as possible. This will ensure that the property conditions in the report are up-to-date and accurate. If a BDR was completed more than three months prior to the execution of the easement, or there was a known event or disturbance, the preparing organization must revisit the property to ensure that it is an accurate representation of conditions and provide date of visit to CWMTF staff. CWMTF may also require a supplemental statement that attests to current conditions and can provide a template at request.

GMS Grants Management System

For questions concerning GMS, refer to the GMS Help Document on the main page of GMS or https://files.nc.gov/cwmtf/Docs/help_doc_may2017.pdf.

Stewardship

For stewardship monitoring, you will enter into an annual stewardship contract with CWMTF. Additional questions should be directed to the CWMTF Stewardship Program Manager.

1. What is my organization's long-term monitoring responsibility?

Organizations are required to monitor annually, submit reports promptly, and immediately notify the Stewardship Program Manager of changes, violations, or other issues throughout the year. Templates for

invoices and monitoring reports can be found on the Fund's website: <https://cwmtf.nc.gov/annual-stewardship-forms>.

2. How and when do I enter into an annual stewardship contract?

The Stewardship Program Manager will draft the annual contract and communicate with you through email. Traditionally, this happens in June, and your contract will start as soon as fully executed and run until June 30 of the next year (with invoices accepted through July 15). Your contract will include the annual allotment of funds for monitoring expenses for all of the properties for which your organization is responsible.

4. When I do start monitoring the property?

It is important to note that CWMTF does not hold your organization responsible for monitoring until the property is under an annual monitoring contract with CWMTF. Because this contracting process happens once annually, it may be up to a full year until you are required by CWMTF to monitor the property. Should you monitor the property prior to contracting with CWMTF, CWMTF cannot reimburse you for time or expenses. Exceptions will be made when a violation or other issue threatens the conservation values or easement and should be reported to the Stewardship Program Manager immediately.

3. Do I report monitoring to CWMTF on easements or declaration held by my organization or an organization other than the State?

No. If your organization holds an easement or has a declaration of covenants and restrictions on match property, you need not submit your monitoring reports to the State, but if the agreement stipulated noticing the Fund, for example, prior to exercising a reserved right or transferring the property, please do so as soon as possible by contacting the Stewardship Program Manager.

4. Do I request stewardship endowment funds in my claim?

No. Stewardship endowment funds will not be paid to the grant recipient but will be transferred to the Stewardship Endowment by CWMTF. You should not request reimbursement for stewardship endowment funds as part of your claim. The funds for your organization's monitoring work will be provided on an annual basis through a separate contract with CWMTF. However, if you have match stewardship funds in your budget, you must request credit for those funds in the Matching Funds column of your claim and attach substantiation that those funds were deposited to your endowment account.

Pre-Disbursement Documents

Review Exhibit C of the Grant Contract to determine if there are documents that must be submitted before any funds can be disbursed.

CWMTF is required to maintain the documents listed below from non-profit organizations before disbursing any grant funds. The documents are also listed in Exhibit C of the grant contract.

- Articles of Incorporation
- Notarized Conflict of Interest Policy
- IRS Letter of Determination of Tax-Exempt Status
- Most recent Annual Audit

These documents are maintained on file by CWMTF and are not required with each grant contract; however, it is your responsibility to notify CWMTF of any updates, amendments and/or changes as they occur, as well as provide an annual update.

These documents must be submitted using FormSite. Click [HERE](#) for guidance on using FormSite to submit required documentation and complete the annual update form.

Acquisition Closing Process

CWMTF has 3 phases and 5 major steps to complete the acquisition “closing”. Your contract administrator will coordinate this process. **See Appendix D of this document for detailed illustration.**

Phase	Step	Overview
Pre-closing	1. Prepare documents	Grant Recipient uses checklists to prepare <u>draft</u> documents and submits the majority of the documents as a packet through Formsite
	2. CWMTF staff review and Grant Recipient revisions	CWMTF grant administrator reviews documents and requests revisions - requires Grant Recipient follow-up
	3. DNCR General Counsel review and Grant Recipient revisions	DNCR General Counsel reviews documents and request revisions - requires Grant Recipient follow-up
	4. Program Manager authorization	Approval from CWMTF is required before Closing. An Approval to Close memo will be sent to Grant Recipient.
Closing	5. Closing	Grant Recipient purchases property or easement and records documents.
Post-closing	6. Project closeout	Grant Recipient prepares and submits recorded documents and final report. Must submit flash drive for all post-closing documents. See Exhibit E of Contract.

Timeline

Average time from submittal of draft documents to closing is 2-3 months (Steps 2-5 in the Closing process). This requires Grant Recipient to stay engaged in the process and respond promptly to requested revisions. See Exhibit D: Acquisition Closing Workflow for detailed illustration of the Closing process.

Step 1. Pre-closing Prepare Documents

Step 1 is completed when all draft documents have been correctly submitted.

The complete list of documents that must be submitted during the pre-closing period are listed here:

1. Appraisal(s)
2. Conservation Agreement(s) for both CWMTF funded parcel and match property
3. General Warranty Deed
4. Title commitment(s) including closing protection letter
5. Preliminary Title Opinion
6. Man-made Features Map (for structures that will be removed once property is acquired)
7. Preliminary, unrecorded, and unsigned survey
8. Phase I Environmental Site Assessment if available
9. Draft Baseline Documentation Report if applicable (receiving stewardship funds)
10. Settlement Statement
11. Joint Representation and Conflict Waiver

Refer first to the contract before preparing materials for submission.

- Exhibit D of the grant contract lists the pre-closing checklist items with a brief description.

Below you will find detailed checklists to help you prepare the documents, as well as information on when and how the documents should be submitted.

Appendices A-C of this document provide checklists you should provide to vendors (title insurers, surveyors, and closing attorneys) to help their preparation of documents.

A closing should not be scheduled until pre-funding documents have been reviewed and approved by CWMTF.

1. Appraisals

submitted via Formsite link on our website as soon as they are available:

Two (2) appraisals are required if the fee simple value or the easement value of the property (including CWMTF and matching funds) is greater than \$500,000.

- The State must be included as an authorized user of the appraisal.
- Appraisals must cover all of the property in the project and multiple appraisals must cover the same acreage.
- The appraisal must be performed by a NC general certified appraiser.
- The appraisal must be a summary appraisal in narrative form in accordance with Uniform Standards of Professional Appraisal Practice.
- The appraisal should reflect the market value of the property or the conservation easement.
- Appraisals of conservation easement should reflect the “before and after” approach, indicating the value before and after the easement is recorded on the property.
- All appraisals are reviewed by the State Property Office. Once approved, Grant Recipients will receive an appraisal review memo.
- Once appraisals are complete, they should be submitted to CWMTF via Formsite. Once received, copies will be sent directly to the State Property Office. Please do not contact SPO directly unless requested to by CWMTF.

2. Draft Conservation Agreements

submitted via Formsite to Marissa Hartzler, Stewardship Program Manager:

<https://fs24.formsite.com/CWMTF/prereview/index.html>

Conservation Agreements include Conservation Easements, Assignment of Conservation Easements, and Declarations of Covenants and Restrictions.

It is recommended that draft conservation agreements be sent to CWMTF for review of business terms prior to submission of pre-closing packages. Currently, these can be e-mailed directly to Marissa Hartzler, Stewardship Program Manager: marissa.hartzler@ncdcr.gov. These documents will then be resubmitted with the full pre-closing package when complete.

- For conservation agreements on CWMTF funded properties, Grant Recipients must use the latest template and download this template from the CWMTF website (<https://cwmtf.nc.gov/stewardship#conservation-agreement-templates>) each time before drafting a conservation agreement for submission. If a conservation easement is first being conveyed to the Grant Recipient and then assigned to the State, the Grant Recipient must also submit an Assignment using the latest template from the CWMTF website.
- For conservation agreements on match properties, Grant Recipients are encouraged to use their own template, however you can repurpose reserved rights and restrictions from the CWMTF templates. Match agreements must be submitted for approval.

- c. All conservation agreements must be sent to CWMTF as a Word document (PDFs are not acceptable because CWMTF will need to edit the document). All edits to CWMTF conservation agreement templates must be shown in Word as “tracked changes.” Conservation agreements must not contain unnecessary revisions to the template such as font changes or watermarks.
- d. The business terms (the reserved rights and restrictions) in the conservation agreements must match the Grant Contract. Any proposed variances from the Grant Contract must be discussed with and approved by the contract administrator.
- e. The exceptions to unencumbered Title must be stated at the end of “ARTICLE V. TITLE” in the CWMTF CE template or the appropriate location in other agreement documents.
- f. The legal descriptions of the Property must be filled-in on Exhibit A, and when applicable, the Conservation Agreement Area must be filled-in on Exhibit B of the conservation agreement template.

**5. General Warranty Deeds
submitted as part of the pre-closing packet through Formsite**

- a. General Warranty Deeds are critical for fee simple purchases but also required for conservation easement purchase because they are the last link in the chain of title. The deed will verify ownership and list any applicable exceptions and/or access easements.
- b. The closing attorney must not put a disclaimer of title opinion on deeds.

**6. Title Insurance Commitment Binder
submitted as part of the pre-closing packet through Formsite**

Schedule A

- a. If a fee interest is involved, grant recipients must submit a commitment to insure the party who will hold the fee interest.
- b. Commitments must provide coverage for the State in the amount that CWMTF is contributing to the purchase of the property or the conservation interest or both. The proposed insured will be: The State of North Carolina. Do not use Clean Water Management Trust Fund.
- c. If a conservation easement interest is involved, grant applicants must submit a commitment to insure the party who will hold the conservation easement interest, and that properly identifies the State if the State is to hold the conservation easement interest (directly or by assignment).
- d. A single commitment can cover both a fee interest holder and a conservation easement interest holder if the parties and interests are properly identified.
- e. Commitments should never identify the State’s interest as a loan, mortgage, or security interest. The Clean Water Management Trust Fund does not loan funds.
- f. Commitments must contain a sufficient legal description of the property and the conservation easement, as applicable, being insured.

Schedule B

- g. Commitments must not contain exceptions as to matters of survey. A survey is always required, so this exception is not appropriate. Commitments may have a survey exception if the commitment says that the exception will be deleted from the final policy upon a survey being provided.
- h. Commitments must provide affirmative coverage for access to a public road as required by the grant contract. This can be listed in requirements, exceptions, or added at the end of the document as an amendment or endorsement. Please let us know where it can be found.
- i. Unless closing occurs prior to funding by the State and funds are not going to be paid into the closing attorney's trust account, commitments must provide for a closing protection letter for the State.
- j. Commitments for conservation easements must not except the conservation easement that is being insured.
- k. Commitments for conservation easements must not contain exceptions that undermine coverage of the conservation easement itself, such as items that except, "Terms and conditions of that certain Conservation Easement between ABC Conservancy and the State of North Carolina recorded in Book ____, Page ____, ABC County."
- l. Commitments must not include unrestricted or ambiguous exceptions to coverage. (E.g., "all easements and rights of way".) All exceptions must be specific and refer to a Deed Book and Page.

7. Preliminary Title Opinion and Related Documents submitted as part of the pre-closing packet through Formsite

A copy of the closing attorney's preliminary title opinion and all instruments referred to in the preliminary title opinion and the title commitment must be submitted with the title insurance binder. This can be submitted as a single pdf file.

8. Man-made Features Map submitted as part of the pre-closing packet through Formsite

All man-made structures on the property that are to be removed must be shown on a map – but typically NOT on the survey. Structures to be removed do not need to be surveyed; they may be located by GPS. This map can be created by the grant recipient or a vendor and should be part of the Baseline Documentation Report (BDR) if a BDR is required for the project.

9. Preliminary Surveys submitted as part of the pre-closing packet through Formsite AND one full-sized paper copy mailed to CWMTF at 1651 Mail Service Center, Raleigh NC 20699-1651

General: Surveys should show anything that will affect the CWMTF easement, including all man-made structures that will remain on the property. If there are structures that were discovered after application and contract negotiation, and they are to remain, notify your CWMTF contract administrator as soon as possible; this may change the scope of work and budget, as these may need to be excluded from the project. Acreage on the survey should closely match that referenced in the Grant Contract. A stand-alone checklist for surveyors is provided below in Appendix B.

- a. Grant applicants must submit an unrecorded, preliminary, and unsigned survey that meets all requirements of this checklist.
- b. One full-sized and one 8.5 x 11 hard copy of the preliminary survey must be submitted in addition to the electronic version submitted online.
- c. The preliminary survey must meet the Standards of Practice for Land Surveying in North Carolina as described in Title 21, Chapter 56, of the North Carolina Administrative Code. As such, surveys and digital files shall be tied to the North Carolina State Plane Coordinate System NAD83 (NSRS2007).
- d. A table of coordinates (easting and northing) for all property corners, numbered consecutively, must be included on the plat. Multiple parcels are required to be recombined if practicable so this requirement may not apply; if recombination is not possible and multiple parcels comprise a single project, assign a unique number for each property corner within the project.
- e. A text metes and bounds must be provided for recordation with the conservation easement, in columnar format.
- f. Include the official surveyor certifications on it but be unsigned at this point.
- g. The preliminary survey must include in the title block the Tax ID numbers for all relevant parcels as well as the CWMTF Grant Contract number.
- h. The preliminary survey cannot be a boundary only survey. It must show those actual conditions on the ground that are reasonably observable. This includes surface waters (streams, ponds, etc.) and man-made structures such as buildings, dams, wells, roads, parking lots, kiosks, camping areas, electric lines, gas lines, encumbrances, and encroachments that will remain on the property and affect the conservation agreement.

Note: Structures found on the property that will be removed do not need to be surveyed but should be documented on the Man-made Features Map and submitted as part of the pre-closing document packet. (See item #8 above.)

- i. The preliminary survey must include a table specifying:
 - (i) the length of all property boundaries shared with streams or other surface waters,
 - (ii) the length of all conservation easement boundaries shared with streams or other surface waters,
 - (iii) the length of all streams or other surface waters buffered on one-side,
 - (iv) the length of all streams or surface waters buffered by on both sides, and
 - (v) the total length of streams and other surface water buffered on one or both sides.

Note: For the purpose of this table, the required lengths may be computed without being field surveyed using appropriate data if the source of the data is identified.

- j. The preliminary survey must show the legal access way from the relevant property to a public road if the property does not have existing public road frontage. Noting public road number bordering property is sufficient.
- k. If the easement area must be crossed by motorized vehicles to access areas of the property, the area approved for access, ingress, and egress must be delineated on the plat. Approval for such a crossing must be approved in advance by CWMTF.

- l. The legend on the preliminary survey should include unique entries for conservation easement boundaries that are not property boundaries and for features of the property such as streams, ponds, swamps, soil roads, gravel roads, electric lines, etc. Superfluous symbols should be eliminated.
- m. The property and conservation easement area(s) should be conspicuously labelled. Sample language for Conservation Easement area: "To be subject to State of North Carolina Conservation Easement".
- n. If areas of the property or conservation easement boundary lines, or other features, are illegible because the scale is too small for legibility, then an inset should be added to show the illegible area at a larger scale. (This is important for several reasons including that legibility can be an issue online.)
- o. The survey should not include a Certificate of Subdivision or Dedication unless the transaction actually involves a subdivision or a dedication, respectively.
- p. The preliminary survey should not include unrestricted statements that the property is subject to all easements, rights of way, and encumbrances or similar statements.

**10. Phase I Environmental Site Assessment
submitted as part of the pre-closing packet through Formsite**

A Phase I ESA is optional if the grant recipient has knowledge of historic use of the property and can reasonably assume there are no environmental contaminations.

- a. The Phase I ESA must conform to the requirement of the latest version of American Society for Testing and Materials ("ASTM") Standard E-1527.
- b. CWMTF must be included as an authorized user of the ESA.
- c. CWMTF reserves the right to require the grant recipient to remedy any concerns prior to or subsequent to closing. If there are any environmental concerns revealed by the Phase I ESA, Grant Recipient is required to provide a remediation plan.
- d. If recommended, Grant Recipient should order a Phase 2 ESA. However, CWMTF will not pay for, or reimburse for a Phase 2 ESA.

**11. Baseline Documentation Report
submitted through Formsite, either with pre-closing or prior to recording of conservation easement**

See Appendix E for full details.

Step 2. Pre-closing CWMTF Review

Step 2 is completed after all revisions requested by CWMTF staff are made and documents are forwarded to DNCR General Counsel for legal review.

Submit Pre-closing documents as a packet through Formsite. Do not upload pre-closing documents to GMS. Use the following link to submit documents.

<https://fs24.formsite.com/CWMTF/form35/index.html>

The CWMTF contract administrator will review the documents for completeness against the checklists. A memo with requested revisions will be emailed to the grant recipient.

Grant Recipient must request changes from vendors and review the changed documents for corrections before resubmitting. Use Formsite to resubmit documents.

Once pre-closing package is found to be complete, documents will be forwarded to our legal counsel.

Step 3. Pre-closing DNCR General Counsel Review

Step 3 is completed after all revisions requested by DNCR General Counsel's office are made and CWMTF has issued an Authorization to Close memo.

Documents will be reviewed by the DNCR Deputy General Counsel. A closing memo with revisions will be emailed to grant recipient with instructions.

Grant Recipient must request changes from vendors and review the changed documents for corrections before resubmitting. Use Formsite to resubmit the documents.

Step 4. Closing

Step 4 is completed after authorization is received from CWMTF and property or easement is purchased and all documents have been recorded.

After receiving a memo authorizing closing/recording documents from CWMTF Acquisition Program Manager, grant recipient can record documents.

Step 5. Post-closing and project closeout

After Closing, you should submit any remaining claims. It is your responsibility to submit recorded Closing documents to CWMTF as soon as possible.

The following documents must be submitted to CWMTF on a USB drive:

- Recorded survey
- Recorded conservation agreements
- Final warranty deed
- Executed settlement statement
- Signed BDR
- Title policy
- Survey-base GIS shapefiles

- .dwg file of survey
- Final Report

The following documents must also be submitted in paper copy:

- Recorded conservation agreements
- Recorded survey (2 full-sized copies and 2 11.5 x 8 copies)
- Final Report

NOTE: *By signing the Final Report you are releasing any remaining funds and they will not be available to you for further claims. If you anticipate another invoice (such as legal fees or taxes), submit recorded documents but do not sign the Final Report until you have submitted the final claim in GMS.*

Stewardship

For those with a State-held conservation easement, the project includes a perpetual obligation for your organization (or its designate) to monitor and report on the easement, as well as stewardship funds for the Fund to reimburse you for your work on behalf of the State. The stewardship funds are allotted in your grant contract, and will be transferred to the Fund's Stewardship Endowment, a special non-reverting interest-earning account that will ensure these funds are available for your organization each year.

Your organization will enter into an annual stewardship contract, separate from your grant contract. Traditionally, the annual stewardship contract is drafted in June, and your contract will start as soon as fully executed and run until June 30 of the next year (with invoices accepted through July 15). Your annual stewardship contract will include the annual allotment of funds for monitoring expenses for all of the properties for which your organization is responsible. Organizations are required to monitor annually, submit reports promptly, and immediately notify the Stewardship Program Manager of changes, violations, or other issues throughout the year. Templates for invoices and monitoring reports can be found on the Fund's website: <https://cwmtf.nc.gov/annual-stewardship-forms>.

It is important to note that CWMTF does not hold your organization responsible for monitoring until the property is under contract in the annual monitoring contract. Because this contracting process happens once annually, it may be up to a full year until you are required by CWMTF to monitor the property. Should you monitor the property prior to contract, we cannot reimburse you for time or expenses. Exceptions will be made when a violation or other issue threatens the conservation values or easement and should be reported to the Stewardship Program Manager immediately.

If your organization holds an easement or has a declaration on match property, you need not submit your monitoring reports to the State, but if the agreement stipulated noticing the Fund, for example, prior to exercising a reserved right or transferring the property, please do so as soon as possible by contacting the Stewardship Program Manager.

If you have any questions on stewardship of state-held or match conservation agreements, including monitoring contracts and expectations, reserved rights and interpretations, or potential easement violations and other issues, please contact the Stewardship Program Manager.

Media Guidance

Outreach Guidelines for Partners and Grant Recipients

It's vitally important that we get the message out about your and our successes so that we can continue providing grant assistance. In addition to placing signs recognizing Clean Water Management Trust Fund

(CWMTF), pursuant to the grant contract requirements, we strongly encourage you to use the press, social media and your website to increase awareness of successful projects.

Recognizing CWMTF funding in news releases/media

The CWMTF encourages grant recipients and partners to issue local press releases from your organization announcing news such as:

- grants received from CWMTF
- projects completed using CWMTF funding
- land purchases completed using CWMTF grant funding

While CWMTF issues our own press releases through the Dept. of Natural and Cultural Resources when grants are awarded, you, as our partner, can often receive more recognition and attention for specific projects by issuing your own news releases to local media.

You know your local press and reporters best, and information from local sources is often better received than one of many press releases originating from a state agency. When writing press releases or conducting media interviews about CWMTF-funded projects, we ask that you include recognition of your CWMTF grant award in your information.

Here is some suggested language you can use for our program:

Funding for this project was provided by a \$X grant from the N.C. Clean Water Management Trust Fund (CWMTF). The Clean Water Management Trust Fund was established in 1996 awards grants to protect land for natural, historical and cultural benefit, limit encroachment on military installations, restore degraded streams, and develop and improve stormwater treatment technology.

Press Release Tips

If press releases aren't something you do a lot, our communications office has put together some tips:

- Share the most important information first – what are you announcing and why is it important?
- Grab the reader's attention with a good headline.
- Use active voice. ("The Trust Fund announced grants today" vs. "The grants were announced by the Trust Fund")
- Use plain language; avoid jargon and acronyms.
- Include quotes – perhaps a local government figure or someone in your organization. Never quote more than two people in a release.
- Keep it short and to the point. Reporters lose interest after about one page. You can include website links for more information.
- Have at least two people proofread your release before it goes out. Correct grammar and spelling are very important!
- Don't forget to include your contact information.
- Don't "drop and run." Send your release out early in the day, not at 5 p.m.

Recognizing CWMTF funding on websites

The Clean Water Management Trust Fund encourages grant recipients and partners to recognize CWMTF as a funder of projects through posts on your websites. CWMTF requests that you include both a link to CWMTF's website cwmtf.nc.gov and include CWMTF's logo on your website. The logo may be found on CWMTF's website or you may contact CWMTF program managers.

CWMTF Logo Artwork

www.cwmtf.nc.gov/cwmtf-logo-artwork

APPENDIX A: CLOSING INFORMATION SHEET FOR TITLE INSURERS

Schedule A

1. If a fee interest is involved, grant recipient needs a commitment to insure the party who will hold the fee interest.
2. Commitments must provide coverage for the State in the amount that the Clean Water Management Trust Fund is contributing to the purchase of the property or the conservation interest or both. The proposed insured will be: The State of North Carolina. Do not use CWMTF.
3. If a conservation easement interest is involved, grant recipients must submit a commitment to insure the party who will hold the conservation easement interest, and that properly identifies the State if the State is to hold the conservation easement interest (directly or by assignment).
4. A single commitment can cover both a fee interest holder and a conservation easement interest holder if the parties and interests are properly identified.
5. Commitments should never identify the State's interest as a loan, mortgage, or security interest. The Clean Water Management Trust Fund does not loan funds.
6. Commitments must contain a sufficient legal description of the property and the conservation easement, as applicable, being insured.

Schedule B

7. Commitments must not contain exceptions as to matters of survey. A survey is always required, so this exception is not appropriate. Commitments may have a survey exception if the commitment says that the exception will be deleted from the final policy upon a survey being provided.
8. Commitments must provide affirmative coverage for access to a public road. This can be listed in requirements, exceptions, or added at the end of the document as an amendment or endorsement. Please let us know where it can be found.
9. Unless closing occurs prior to funding by the State and funds are not going to be paid into the closing attorney's trust account, commitments must provide for a closing protection letter for the State.
10. Commitments for conservation easements must not except the conservation easement that is being insured.
11. Commitments for conservation easements must not contain exceptions that undermine coverage of the conservation easement itself, such as exceptions that except, "Terms and conditions of that certain Conservation Easement between ABC Conservancy and the State of North Carolina recorded in Book ___, Page ___, ABC County."
12. Commitments must not include unrestricted or ambiguous exceptions to coverage. (E.g. "all easements and rights of way".) All exceptions must be specific and refer to a Deed Book and Page.

APPENDIX A.1: SAMPLE TITLE COMMITMENTS INSURING THE STATE

SAMPLE #1 TRLC Owen Tr – 2016-087

SCHEDULE A

1. Commitment Date: May 22, 2018 at 08:30 AM
2. Policy (or Policies) to be issued:
 - a. ALTA Owners Policy (06/17/06) Policy Amount: \$495,000.00

Proposed Insured: Fee Simple Title interest: Tar River Land Conservancy (coverage amount is \$340,000.00)

Conservation Easement interest: State of NC by and through the Clean Water Management Trust Fund (coverage amount is \$155,000.00)
3. The estate or interest in the Land described or referred to in this Commitment is Fee Simple.

SAMPLE #2 CC Sky Valley – 2016-011

SCHEDULE A

1. Commitment Date: 03/12/2018 Time: 10:30 AM
2. Policy (or Policies) to be issued:
 - (a) Owner's Policy: ALTA 2006
 - Proposed Insured: STATE OF NORTH CAROLINA
 - Proposed Policy Amount: \$ 90,000.00
 - (b) Loan Policy: N/A
 - Proposed Insured:
 - N/A
 - Proposed Policy Amount: \$ 0.00
3. The estate or interest in the Land described or referred to in this Commitment is CONSERVATION EASEMENT
4. The Title is, at the Commitment Date, vested in:

Conserving Carolina f/k/a Carolina Mountain Land Conservancy

SAMPLE #3 City of Lenoir, Lenoir Watershed – 2015-033

Schedule A

Closing Attorney: Fred D Pike

Premium: \$1,452.00

- 1.** Effective Date: April 07, 2017 at 11:00 am Commitment No.:17BNE40814
- 2.** Policy or Policies to be issued:

 ALTA Owner's Policy - 06/17/2006
 Proposed Insured: State of North Carolina

 Amount: \$755,993.00
- 3.** The estate or interest in the land described or referred to in the Commitment and covered herein is a Conservation Easement between City of Lenoir and the State of North Carolina recorded in Book , Page and title thereto is at the effective date hereof vested in:
 City of Lenoir

APPENDIX B: INFORMATION SHEET FOR SURVEYORS

General: Surveys should show anything that will affect the CWMTF easement, including all man-made structures that will remain on the property.

- (1) Client requests an unrecorded, preliminary survey of the property and/or the conservation easement as applicable.
- (2) Client needs one additional full-sized and one 8.5 x 11 hard copy of the preliminary survey to send to the Clean Water Management Trust Fund in addition to an electronic version.
- (3) Surveys and digital files shall be tied to the North Carolina State Plane Coordinate System NAD83 (NSRS2007).
- (4) A table of coordinates (easting and northing) for all property corners, numbered consecutively, must be included on the plat. Multiple parcels are required to be recombined if practicable so this requirement may not apply; if recombination is not possible and multiple parcels comprise a single project, assign a unique number for each property corner within the project.
- (5) A metes and bounds report must be exported and submitted as a separate text file.
- (6) The preliminary survey should be unsigned but be in recordable form.
- (7) Clearing and marking boundary shall occur according to CW standards during survey. See Acquisition Program Guidelines on website.
- (8) As a reminder, closer to closing, boundary signs must be posted.
- (9) The preliminary survey must include in the title block the Tax ID numbers for all relevant parcels.
- (10) The preliminary survey must include the Clean Water Management Trust Fund grant contract number in the title block.
- (11) The preliminary survey must include a table specifying:
 - (i) the length of all property boundaries shared with streams or other surface waters,
 - (ii) the length of all conservation easement boundaries shared with streams or other surface waters,
 - (iii) the length of all streams or other surface waters buffered on one-side,
 - (iv) the length of all streams or surface waters buffered by on both sides, and
 - (v) the total length of streams and other surface water buffered on one or both sides.

** For the purpose of this table, the required lengths may be computed without being field surveyed using appropriate data if the source of the data is identified.
- (12) The preliminary survey must show legal access from the relevant property to a public road if the property does not have existing public road frontage.

- (13) The preliminary survey cannot be a boundary only survey. It must show those actual conditions on the ground that are reasonably observable such as streams, ponds, surface waters, buildings, dams, wells, soil roads, gravel roads, paved roads, trails, electric lines, gas lines, uses, encumbrances, and encroachments.
- (14) The legend on the preliminary survey should include unique entries for conservation easement boundaries that are not property boundaries and for features of the property such as streams, ponds, swamps, soil roads, gravel roads, electric lines, etc. Superfluous symbols should be eliminated.
- (15) The property and conservation easement area(s) should be conspicuously labelled. Sample language for Conservation Easement area: "To be subject to State of North Carolina Conservation Easement".
- (16) If the easement area must be crossed by motorized vehicles to access areas of the property, the area approved for access, ingress, and egress must be delineated on the plat.
- (17) If areas of the property or conservation easement boundary lines, or other features, are illegible because the scale is too small for legibility, then an inset should be added to show the illegible area at a larger scale.
- (18) The survey should not include a Certificate of Subdivision or Dedication unless the transaction actually involves a subdivision or a dedication, respectively.
- (19) The preliminary survey should not include notes or statements that the property is subject to all easements, rights of way, and encumbrances or similar statements.

APPENDIX C: INFORMATION SHEET FOR CLOSING ATTORNEYS

Title Insurance Commitment Binders

Schedule A

- (1) If a fee interest is involved, client needs a commitment to insure the party who will hold the fee interest.
- (2) Commitments must provide coverage for the State in the amount that the Clean Water Management Trust Fund is contributing to the purchase of the property or the conservation interest or both. The proposed insured will be The State of North Carolina. Do not use Clean Water Management Trust Fund.
- (3) If a conservation easement interest is involved, client needs a commitment to insure the party who will hold the conservation easement interest, and that properly identifies the State if the State is to hold the conservation easement interest (directly or by assignment).
- (4) A single commitment can cover both a fee interest holder and a conservation easement interest holder if the parties and interests are properly identified.
- (5) Commitments should never identify the State's interest as a loan, mortgage, or security interest. The Clean Water Management Trust Fund does not loan funds.
- (6) Commitments must contain a sufficient legal description of the property and the conservation easement, as applicable, being insured.

Schedule B

- (7) Commitments must not contain exceptions as to matters of survey. A survey is always required, so this exception is not appropriate. Commitments may have a survey exception if the commitment says that the exception will be deleted from the final policy upon a survey being provided.
- (8) Commitments must provide affirmative coverage for access to a public road. This can be listed in requirements, exceptions, or added at the end of the document as an endorsement. Please let us know where this can be found.
- (9) Unless closing occurs prior to funding by the State and funds are not going to be paid into the closing attorney's trust account, commitments must provide for a closing protection letter for the State.
- (10) Commitments for conservation easements must not except the conservation easement that is being insured.
- (11) Commitments for conservation easements must not contain exceptions that undermine coverage of the conservation easement itself, such as exceptions that except, "Terms and conditions of that certain Conservation Easement between ABC Conservancy and the State of North Carolina recorded in Book ____, Page ____ ABC County."
- (12) Commitments must not include unrestricted or ambiguous exceptions to coverage. (E.g. all easements and rights of way.) All exceptions must be specific and refer to a Deed Book and Page.

Preliminary Title Opinion and Related Documents

- a. A copy of the closing attorney's preliminary title opinion and all instruments referred to in the preliminary title opinion and the title commitment. This can be submitted as a single pdf file.

Public Access Information for Surveys

- a. The closing attorney should provide the surveyor with information showing legal access from the relevant property to a public road if the property does not have existing public road frontage. If legal access does not exist, the CWMTF should be so advised.

Conservation Easements

- (1) The closing attorney should assist with the legal descriptions of the Property and the Conservation Easement Area which need to be filled-in on Exhibit A and Exhibit B of the conservation easement.
- (2) The closing attorney should provide the exceptions to unencumbered Title that need to be stated at the end of "ARTICLE V" of the conservation easement.

General Warranty Deeds

- (1) The closing attorney must not put a disclaimer of title opinion on deeds.

APPENDIX C.1: CONFLICT WAIVER FOR CLOSING ATTORNEY

NORTH CAROLINA
_____ COUNTY

JOINT REPRESENTATION AND CONFLICT WAIVER AGREEMENT

(Insert CW Project # Here)

We, the undersigned, acknowledge that _____ (“**Attorney**”) and the law firm of _____ (“**Firm**”) have been asked to represent _____ (“**Conservation Organization**”) and the State of North Carolina (“**State**”), acting by and through the North Carolina Clean Water Management Trust Fund (“**CWMTF**”), in the transaction involving the conveyance to Conservation Organization of certain real property located in _____ Township, _____ County, North Carolina consisting of _____ acres in total and the conveyance of a conservation easement by Conservation Organization to the State over the property or a portion thereof.

The signatories hereto acknowledge that the joint representation includes, and is limited to, title search, certification of title, obtaining of title insurance for both Conservation Organization and the State, as well as taking the customary steps to close, record, and complete the transaction. Conservation Organization and State agree that Attorney and Firm may represent the Conservation Organization related to the drafting and reviewing of the conservation easement and other documents related to this transaction and that Attorney and Firm do not represent the State regarding the same. (Whether Attorney and Firm represent Conservation Organization regarding these non-joint matters, and the extent thereof, is determined by a separate understanding or agreement between them.) Conservation Organization and the State acknowledge that the State, through the CWMTF, will either pay or reimburse some or all the attorneys’ fees charged by Firm in connection with this transaction.

Conservation Organization, State, and Attorney are not aware of any conflict of interest between Conservation Organization and State, but to the extent any may exist, they waive the same and consent to Attorney’s and Firm’s jointly representing Conservation Organization and State in the above described transaction on the terms stated herein. In reliance on the above and subject to the limitations stated herein, Attorney and the Firm agree to represent jointly the parties as stated herein.

This the ____ day of _____, _____.

State of North Carolina (acting by and through the CWMTF):

BY: _____

Henry C. Fordham, Deputy General Counsel, NC Dept. of Natural and Cultural Resources and
Attorney for CWMTF

Conservation Organization

BY: _____

Printed Name: _____

Title: _____

(Insert the Name of Attorney and Firm Here)

BY: _____

(Insert Name of Attorney signing Here)

APPENDIX D: ACQUISITION CLOSING WORKFLOW



ACQUISITION CLOSING PROCESS: Non-profit and Local Government Properties



APPENDIX E: BASELINE DOCUMENTATION REPORT REQUIREMENTS

Baseline documentation reports (BDRs) involve collecting detailed information depicting the condition and characteristics of a conserved property and its resources assets and current uses at the time the conservation easement is executed. As a snapshot of the property, the report is used as a basis for identifying changes to the property and whether they are manmade or naturally occurring. The BDR is therefore critical to enforcing the terms and conditions of the easement in perpetuity.

General Requirements

All applicants with projects with an easement to be held by the State are required by contract to author a BDR for the easement.

Standards for BDRs are set both by the US Treasury (with specific requirements when there is a qualified charitable donation) and the Land Trust Alliance Standards and Practices 11.B for all conservation easements. As each easement is different, and each land trust has different policies and procedures for preparing BDRs, the intent of these requirements is to balance flexibility in the documentation technique and depth of reporting, while encouraging a degree of standardization between BDRs for State-held easements.

In general, all BDRs should be prepared with the following in mind:

1. All BDRs should be completed prior to the execution of the easement.
2. If a BDR cannot be completed prior to the execution of the easement, then a plan for its completion with timeline must be provided in writing. As part of post-closing documentation, final disbursements cannot be made until the BDR is completed, received, and approved by CWMTF.
3. If a BDR was completed more than three months prior to the execution of the easement, or there was a known event or disturbance, the preparing organization must revisit the property to ensure that it is an accurate representation of conditions and provide date of visit to CWMTF staff. CWMTF may also require a supplemental statement that attests to current conditions and can provide a template at request.
4. The report must include a statement signed by the grantor and grantee that acknowledges that the BDR accurately represents the condition of the property at the time the easement was executed.
5. The applicant may request CWMTF staff site visit prior to the signing of the BDR; similarly, CWMTF staff may reach out to the applicant to schedule a site visit.
6. If the project involves amending a previously recorded State-held easement to include new acreage, please consult with CWMTF in advance on how to approach baseline documentation reporting.

Minimum Elements

The following outline lists the required elements for inclusion in baseline for a State-held easement funded by CWMTF. The volume and specificity of information required in the baseline will vary depending on the terms of the easement, conservation values, and current uses of the property. The preparer may organize these minimum requirements as they wish and may opt to include other materials at their discretion. As a general rule, when including additional information will aid in the future monitoring and enforcement of the easement, please include it.

- Cover page: Include the name of property, CWMTF grant number, date of report, authors' names and affiliations
- Table of contents: List all sections and appendices to the report with page numbers
- Purpose of the Conservation Easement: Recite the conservation values as stated in the easement and include a summary of the reserved rights.

- **Purpose of the Baseline Documentation Report:** Include a brief statement that the purpose of the BDR is to document the property's conservation values and existing conditions, provide a basis by which to measure compliance of the easement, and to provide information for annual monitoring of the property.
- **General Property Information:**
 - Acreage of the property and acreage of the easement area (if different)
 - Legal description of the property, including the property deed reference and the recording date of the easement
 - Directions to the property from land trust monitoring office, including directions for legal access, parking location, and notes on gated or keyed entries
- **Landowner Information:**
 - Name, address, and phone number of current landowner(s)
 - Name and phone number of any land manager or gatekeeper
 - Description of current leases and/or contact information for current tenants
- **Preparation of the Report:**
 - Date(s) of field work, report compilation, and any follow-up visits
 - Summary of data collection methods, including accuracy of GPS equipment
 - Preparer's qualifications
- **Land Use and Existing Human Modifications:** Document all features and uses that may impact the monitoring or enforcement of the easement. Include management plans (forestry plan, prescribed burning plans, agricultural conservation plans, etc.) as an appendix to the BDR when available. *When an item is followed by an asterisk, please include these elements in the map section.
 - Prior land use, noting any significant archaeological, cultural and/or historical features on the property*
 - Current land use
 - Intended future uses and management of the property
 - Existing roads and trails*
 - Description of right-of-way encumbrances that impact the property*
 - Any other existing human modifications*
- **Natural Features:** Supporting information for the conservation values listed in the easement. *When an item is followed by an asterisk, please include these elements in the map section.
 - Forest and natural communities, including early successional habitat as listed in the easement*
 - Natural Heritage Areas and Element Occurrences*
 - Aquatic resources, including location of streams, and other bodies of water with general condition of water quality*
 - Major soil types*
 - Non-native invasive species present*
- **Photographic Documentation:** The permanent photo record established for the property, to be used in future monitoring. Photos should be adequate to document the conservation value of the property while also identifying any stewardship concerns. Photos should be in color, have time, date and coordinate stamping, and include captions. All photo points should be depicted on a map. For photo acknowledgement, it is the applicant's discretion whether to request landowner signature on each photo page, or to add the affirmation that these photos are an accurate depiction to the Acknowledgement Statement.
- **Maps:** Include concise color maps, each with the name, affiliation, and title of the preparer, along with the date the map was created. All maps should have boundaries for the easement.
 - Contextual locator map
 - Orthographic map
 - USGS topographic map
 - Soils map
 - Natural communities map, with any Natural Heritage elements marked
 - Manmade features map (map submitted with your pre-closing packet)
 - A copy of the survey is optional, but encouraged
 - Additional maps as needed to depict the property's land use, human modifications, and/or natural features

- **Acknowledgement Statement:** Signed by the grantor and the grantee, affirming that the BDR accurately reflects the condition of the property as of the date of easement granting. At the organization's discretion, an acknowledgement statement may also be signed by the preparer(s).
 - Please note that for easements in which the original Grantee is the State (i.e. not assigned), this acknowledgement statement is not required as an exhibit to the recorded conservation easement.
 - If the easement is assigned to the State immediately following conveyance of an easement to the land trust, it is the land trust's discretion whether the acknowledgement statement is included as an exhibit to the recorded conservation easement